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No Objection to Declassification in Part 2010/07/08 : LOC-HAK-551-5-55-4

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FM THE SITUATION ROOM//TOHAK 29//

TO PAUL BANBIAN FOR THE SECRETARY

T O P S E C R E T SENSITIVE EXCLUSIVELY EYES ONLY CONTAINS CODEWORD

VIA BLACK PATCH WH52615

State Dept. review completed

TOHAK 29

DECEMBER 31, 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: BRENT SCOWCROFT
SUBJECT: INFORMATION ITEMS

USSR: CREDIT PROBLEMS MAY PREVENT MAJOR U.S. DEALS: DURING A CALL AT THE SOVIET MINISTRY OF OIL INDUSTRY BY EMBASSY MOSCOW OFFICERS, A MINISTRY OFFICIAL STATED THAT FIVE MAJOR PROJECTS TOTALLING $800 MILLION WERE BEING HELD UP BECAUSE OF FINANCING PROBLEMS. IN EACH INSTANCE, THE SOVIET FOREIGN TRADE BANK REFUSED TO AUTHORIZE PAYMENT BECAUSE, HE CLAIMED, NO AMERICAN CREDITS OF ANY KIND, EITHER COMMERCIAL OR EXIM, WERE AVAILABLE. AS A RESULT, THE OFFICIAL SAID, THOUGH THE MINISTRY HAS A STRONG PREFERENCE FOR BUYING AMERICAN, IT MAY EVENTUALLY BE FORCED TO TURN TO WESTERN EUROPE OR JAPAN, WHERE CREDITS ARE OBTAINABLE. THE EMBASSY ALSO NOTES THE OFFICIAL'S COMMENT THAT LOWER PRIORITY PROJECTS ARE BEING SHELVED -- PERHAPS BECAUSE OF THE NEW HARD CURRENCY LIMITATIONS IMPOSED FOLLOWING THE GRAIN PURCHASES.

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HYLAND,MCFARLANE,HOOPMAN,SEEFLE

RECALLED
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******* T O P S E C R E T *******S COPY

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

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